

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana  
Financial Report  
For the Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

1/27/10

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# Langley, Williams & Company, L.L.C.

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ACCOUNTING OVERSIGHT BOARD  
CENTER FOR PUBLIC  
COMPANY AUDIT FIRMS

## INDEPENDENT AUDITORS' REPORT

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Calcasieu Parish Clerk of Court as of June 30, 2009, and for the year then ended. These basic financial statements are the responsibility of the Calcasieu Parish Clerk of Court. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

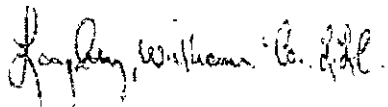
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Calcasieu Parish Clerk of Court as of June 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information on page 23 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole.

The Clerk has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have issued our report dated November 13, 2009, on our consideration of the Calcasieu Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with laws and regulations. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Clerk's basic financial statements. The other supplementary information on pages 25-26 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Calcasieu Parish Clerk of Court. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in dark ink, appearing to read "Joseph William B. Hill". The signature is written in a cursive, flowing style.

November 13, 2009

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

STATEMENT OF NET ASSETS

June 30, 2009

ASSETS

Current assets:

Cash and cash equivalents	\$ 3,385,429
Receivables	<u>134,115</u>
Total current assets	3,519,544

Noncurrent assets:

Capital assets, net	<u>1,195,642</u>
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Total assets	4,715,186
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LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	154,699
Due to Calcasieu Parish Police Jury	30,000
Due to fiduciary funds	<u>13,283</u>
Total current liabilities	197,982

Noncurrent liabilities:

Compensated absences	<u>386,536</u>
Total liabilities	<u>584,518</u>

NET ASSETS

Invested in capital assets	1,195,642
Unrestricted	<u>2,935,026</u>

Total net assets	<u>\$ 4,130,668</u>
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The accompanying notes are an integral part of this statement.

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Assets
		Fees and Charges for Services	Operating Grants	Governmental Activities
Governmental activities:				
Judicial	<u>\$ 5,813,845</u>	<u>\$ 5,414,120</u>	<u>\$ 78,578</u>	<u>\$ (321,147)</u>
Total Governmental Activities	<u>\$ 5,813,845</u>	<u>\$ 5,414,120</u>	<u>\$ 78,578</u>	(321,147)
General revenues:				
				98,350
Clerk's supplemental retirement				1,210
Non-support				41,711
Interest				<u>141,271</u>
Total general revenues				
Change in net assets				(179,876)
Net assets - beginning of year				<u>4,310,544</u>
Net assets - end of year				<u>\$ 4,130,668</u>

The accompanying notes are an integral part of this statement.

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2009

	General
	Fund
ASSETS	
Cash and cash equivalents	\$ 3,385,429
Receivables	<u>134,115</u>
Total assets	<u>\$ 3,519,544</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 154,699
Due to Calcasieu Parish Police Jury	30,000
Due to agency funds	<u>13,283</u>
Total liabilities	<u>197,982</u>
FUND EQUITY	
Fund balance - unrestricted	<u>3,321,562</u>
Total liabilities and fund equity	<u>\$ 3,519,544</u>

The accompanying notes are an integral part of this statement.

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND -  
TO THE STATEMENT OF NET ASSETS

For the Year Ended June 30, 2009

Total fund balance for governmental funds at June 30, 2009	\$ 3,321,562
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Total net assets reported for governmental activities in the Statement of Net Assets is different due to the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Capital assets, net of \$669,542 accumulated depreciation	1,195,642
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Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Those liabilities consists of:

Compensated absences payable	<u>(386,536)</u>
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Total net assets of governmental activities at June 30, 2009	\$ <u><u>4,130,668</u></u>
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The accompanying notes are an integral part of this statement.



Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND

For the Year Ended June 30, 2009

	General Fund
REVENUES	
Licenses and permits	\$ 36,306
Fees, charges, and commissions for services:	
Clerk's supplemental compensation	98,350
Fees for recording legal documents	1,434,212
Fees for certified copies of documents	309,364
Court costs, fees, and charges	3,350,413
Remote internet access	243,713
Mortgage certificates	40,112
Grant	78,578
Non-support	1,210
Interest	41,711
Total revenues	<u>5,633,969</u>
EXPENDITURES	
Current:	
General government - judicial:	
Personal services	3,236,621
Employee benefits	1,456,616
Operating services	872,807
Travel and professional development	9,514
Supplies	163,858
Capital outlay	419,765
Total expenditures	<u>6,159,181</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(525,212)
FUND BALANCE AT BEGINNING OF YEAR	<u>3,846,774</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,321,562</u>

The accompanying notes are an integral part of this statement.

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND -  
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

Deficiency of expenditures over revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (525,212)
The change in net assets reported for governmental activities in the Statement of Activities is different due to the following:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	419,765
Depreciation expense	<u>(28,238)</u>
	391,527
Government funds do not report the change in compensated absences payable as expenditures. However, this expense is reported in the Statement of Activities.	<u>(46,191)</u>
Changes in net assets per Statement of Activities	<u>\$ (179,876)</u>

The accompanying notes are an integral part of this statement.

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

COMBINED STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2009

**ASSETS**

Cash and cash equivalents	\$ 8,692,062
Due from general fund	<u>13,315</u>
Total assets	<u>\$ 8,705,377</u>

**LIABILITIES**

Due to general fund	\$ 32
Due to others	<u>8,705,345</u>
Total liabilities	<u>\$ 8,705,377</u>

The accompanying notes are an integral part of this statement.

## *Notes to the Financial Statements*

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**Notes to the Financial Statements**

**INTRODUCTION**

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court serves as the ex-officio notary public; the recorder of conveyances, mortgages, and other acts; and has other duties and powers provided by law. The clerk of court is elected for a four-year term.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the Calcasieu Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

**B. REPORTING ENTITY**

These financial statements present the Calcasieu Parish Clerk of Court as the primary government. As defined by GASB No. 14, component units are legally separate entities that are included in the reporting entity because of the significance of their operating or financial relationships. The GASB has established several criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Calcasieu Parish Clerk of Court is legally separate and fiscally independent, the Clerk of Court is a separate governmental reporting entity. The police jury maintains and operates the parish courthouse in which the clerk of court's office is located. These transactions between the Clerk of Court and the Police Jury are mandated by state statute and do not reflect fiscal dependency; thereby, they do not reflect financial accountability.

The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**C. FUND ACCOUNTING**

The clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain clerk functions and activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Funds**

Governmental funds account for all or most of the Clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk. The following are the Clerk's governmental funds:

**General Fund** – The general fund is the principal fund of the Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the Clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**Notes to the Financial Statements**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. FUND ACCOUNTING (Continued)**

**Fiduciary Funds**

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The Advance Deposit, Registry of Court, Adoption and Battered Women agency funds account for assets held by the clerk as an agent for litigants held pending court action. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Fund Financial Statements (FFS)**

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of clerk operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Revenues are recorded in the period in which they are earned.

**Expenditures**

Expenditures are recorded in the period in which the goods and services are received.

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses).

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**Notes to the Financial Statements**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)**

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the clerk as a whole. These statements include all the financial activities of the clerk. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specially associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods and services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Program revenues reduce the cost of the function to be financed from the Clerk of Court's general revenues.

**E. BUDGETS**

The clerk uses the following budget practices:

The proposed budget for the 2009 fiscal year was made available for public inspection at the Clerk's office on June 20, 2008. The proposed budget, prepared on basis consistent with generally accepted accounting principles (GAAP), was published in the official journal 15 days before the public hearing. The budget hearing was held at the clerk's office on June 30, 2008. The budget is legally adopted and amended, as necessary, by the clerk. All appropriations lapse at year-end.

Formal budget integration (within the accounting records) is not employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and the final budget including all amendments. For the fiscal year ended June 30, 2009 the budget was not amended.

**F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in cash on hand, demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the clerk may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**Notes to the Financial Statements**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. INTERFUND TRANSACTIONS**

Interfund transactions are reflected as services provided, reimbursements or transfers. Any residual balances outstanding between the governmental activities and the fiduciary funds are reported in the government-wide financial statements as "Due to or from fiduciary funds".

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or fiduciary funds are netted as part of the reconciliation to the government-wide presentation.

**H. CAPITAL ASSETS**

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The clerk maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method as follows:

Furniture and equipment for 3 to 10 years  
Legal document library costs for 40 years

**I. COMPENSATED ABSENCES**

The clerk has the following policy relating to vacation and sick leave:

All full time employees of the Calcasieu Parish Clerk of Court office earn vacation leave at a rate of 2 to 5 weeks each year, depending upon their length of service. Vacation must be used in the year after it is earned. Sick leave is earned at a rate of one to one and one-half days per month, depending upon length of service. Sick leave may be carried forward from year to year. When employees retire they receive a maximum of thirty days compensation for sick days.

The cost of leave privileges is recognized as current year expenditure in the general fund when the leave is actually taken. The cost of leave privileges not requiring current resources is reflected in the government-wide financial statements.



Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

Notes to the Financial Statements

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. EQUITY CLASSIFICATIONS**

For government-wide statements, equity is classified as net assets and displayed in three components:

1. Investment in capital assets, net of related debt-Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net assets- Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets- All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**K. BAD DEBTS**

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2009.

**L. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. CASH AND CASH EQUIVALENTS**

Under state law, the Clerk may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2009, the Clerk has cash and interest-bearing deposits (book balances) totaling \$12,077,491 as follows:

	Governmental	Fiduciary	Total
Demand deposits	\$ 1,852,258	\$ 8,270,691	\$ 10,122,949
Petty cash	6,126	-	6,126
Time deposit	1,527,045	421,371	1,948,416
	<u>\$ 3,385,429</u>	<u>\$ 8,692,062</u>	<u>\$ 12,077,491</u>

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**Notes to the Financial Statements**

**2. CASH AND CASH EQUIVALENTS- (Continued)**

The cash equivalents and investments of the Clerk of Court are subject to the following risks:

**Custodial credit risk:** For deposits is the risk that in the event of the failure of a depository financial institution, the Clerk deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2009, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 12,523,509</u>
Federal insurance	500,000
Pledged securities	<u>12,023,509</u>
Total federal insurance and pledged securities	<u>\$ 12,523,509</u>

As of June 30, 2009, the Clerk's total bank balances were fully insured and collateralized with securities held in the name of the Clerk by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

**Interest Rate Risk:** The Clerk's certificates of deposit have maturities of one year or less which limits exposure to fair value losses arising from rising interest rates.

**Credit Risk:** The Clerk's certificates of deposit comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the Clerk of Court may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**3. RECEIVABLES**

The accounts receivable balance as of June 30, 2009 was \$134,115. This balance consists of charges for services of \$133,875, and accrued interest of \$240.

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**Notes to the Financial Statements**

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2009, is as follows:

	Balance July 1, 2008	Additions	Transfer	Balance June 30, 2009
<b>Governmental Activities</b>				
Construction in progress	\$ 739,559	\$ 138,468	\$ (98,654)	\$ 779,373
Furniture and equipment	705,859	52,474	-	758,333
Legal document library	-	228,824	98,654	327,478
Less accumulated depreciation	(641,304)	(28,238)	-	(669,542)
Capital assets, net	<u>\$ 804,114</u>	<u>\$ 391,528</u>	<u>\$ -</u>	<u>\$ 1,195,642</u>

Depreciation expense of \$28,238 was charged to the general government function.

**5. ACCOUNTS PAYABLE**

The accounts and other payables consisted of the following at June 30, 2009:

	General Fund
Accounts payable	\$ 116,578
Payroll liabilities	38,121
	<u>\$ 154,699</u>

**6. COMPENSATED ABSENCES**

The following is a summary of long-term debt transactions of the Clerk of Court for the year ended June 30, 2009:

Compensated absences payable, at June 30, 2008	\$ 340,345
Net change	46,191
Compensated absences payable, at June 30, 2009	<u>\$ 386,536</u>

**7. OPERATING LEASE COMMITMENT**

The Clerk has a commitment with GMAC to lease a vehicle. The future minimum rental commitment for the remaining lease term is as follows:

	Year Ending June 30,	
	2010	\$ 8,580
	2011	8,580
	2012	34,161
Total future minimum lease payments		<u>\$ 51,321</u>

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**Notes to the Financial Statements**

**8. PENSION PLAN**

*Plan Description.* Substantially all employees of the Calcasieu Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (504) 293-1162.

*Funding Policy.* Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Calcasieu Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Calcasieu Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk's contributions to the system for the years ending June 30, 2009, 2008, and 2007, were \$616,584, \$585,972, and \$696,063, respectively, equal to the required contributions for each year.

**9. OTHER POSTEMPLOYMENT BENEFITS**

The Calcasieu Parish Clerk of Court provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the Clerk's employees become eligible for those benefits if they reach normal retirement age while working for the clerk of court. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the clerk of court. As of June 30, 2009 the Clerk had 30 retirees receiving health and life insurance benefits totaling approximately \$146,000. The Clerk recognizes the cost of providing these benefits as expenditures when the monthly premiums are paid. See Note 14.

**10. RISK MANAGEMENT**

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

**11. DEFERRED COMPENSATION PLAN**

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The plan, available to all Clerk of Court's employees, permits the employees to defer a portion of their salary until

**Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana**

**Notes to the Financial Statements**

**11. DEFERRED COMPENSATION PLAN- (Continued)**

future years. The Clerk of Court matches 50% of employee contributions. The Clerk of Court's contribution to the plan amounted to \$116,735 for the year ended June 30, 2009.

Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

**12. EXPENDITURES PAID BY OR TO THE CALCASIEU PARISH POLICE JURY**

The Clerk of Court's office is located in the Calcasieu Parish Courthouse. The Police Jury pays the upkeep and maintenance of the courthouse. These expenditures are not reflected in the accompanying financial statements.

Income relating to capital outlay required to be paid by the Police Jury are reported as revenues totaling \$78,578 as of June 30, 2009. Expenditures related to judge's secretary fees totaling \$30,000 were paid to the Police Jury and an additional \$30,000 was a liability, Due to Calcasieu Parish Police Jury as of June 30, 2009.

**13. LITIGATION**

The Calcasieu Parish Clerk of Court is a defendant in a law suit. The suit alleges improper fees charged to litigants. A similar law suit has been filed, individually, against each of the parish clerks of court in the State of Louisiana. At June 30, 2009, the clerk had paid approximately \$50,000 in legal fees and is unable to estimate what additional expenses will result from this lawsuit.

**14. NEW PRONOUNCEMENTS**

The GASB has issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, which will change the accounting for post-employment benefits (e.g., payments made by Clerk's office for retiree insurance). Management does not plan to implement the new standard until the year ending June 30, 2010, when it is required to do so. The effect of this pronouncement has not yet been determined, however, it is anticipated that it will significantly increase benefits expense in the government-wide financial statements.

**15. COMMITMENTS**

At year-end, the Clerk had commitments outstanding of approximately, \$120,000 in the form of contracts for completion of the new computer software.

**16. SUBSEQUENT EVENTS**

In May 2009, the Financial Accounting Standards Board issued Statement 165, Subsequent Events, to incorporate the accounting and disclosure requirements for subsequent events into U.S. generally accepted accounting principles. Statement 165 introduces new terminology, defines a date through which management must evaluate subsequent events, and lists the circumstances under which an entity must recognize and disclose events or transactions occurring after the balance-sheet date. The Company adopted Statement 165 as of June 30, 2009, which was the required effective date.

The Company evaluated its June 30, 2009 financial statements for subsequent events through November 13, 2009, the date the financial statements were available to be issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

## *Required Supplemental Information*

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended June 30, 2009

	GENERAL FUND			
	BUDGET		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Licenses and permits	\$ 31,956	\$ 31,956	\$ 36,306	\$ 4,350
Fees, charges, and commissions for services:				
Clerk's supplemental compensation	13,275	13,275	98,350	85,075
Fees for recording legal documents	1,834,614	1,834,614	1,434,212	(400,402)
Fees for certified copies of documents	373,991	373,991	309,364	(64,627)
Court costs, fees, and charges	3,242,812	3,242,812	3,350,413	107,601
Remote internet access	238,104	238,104	243,713	5,609
Mortgage certificates	42,473	42,473	40,112	(2,361)
Grant income	208,262	208,262	78,578	(129,684)
Non-support	-	-	1,210	1,210
Interest	296,529	296,529	41,711	(254,818)
Miscellaneous income	227,689	227,689	-	(227,689)
Total revenues	6,509,705	6,509,705	5,633,969	(875,736)
EXPENDITURES				
Personal services	3,470,651	3,470,651	3,236,621	234,030
Operating services	734,029	734,029	872,807	(138,778)
Related benefits	1,653,131	1,653,131	1,456,616	196,515
Travel and professional development	8,021	8,021	9,514	(1,493)
Supplies	249,893	249,893	163,858	86,035
Capital outlay	378,794	378,794	419,765	(40,971)
Total expenditures	6,494,519	6,494,519	6,159,181	335,338
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,186	15,186	(525,212)	(540,398)
FUND BALANCE AT BEGINNING OF YEAR	3,846,774	3,846,774	3,846,774	-
FUND BALANCE AT END OF YEAR	\$ 3,861,960	\$ 3,861,960	\$ 3,321,562	\$ (540,398)

## *Other Supplemental Information*



Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2009

	Advance Deposit Fund	Registry of Court Fund	Other Fiduciary Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,332,964	\$ 2,302,752	\$ 56,346	\$ 8,692,062
Due from general fund	13,315	-	-	13,315
Total assets	<u>\$ 6,346,279</u>	<u>\$ 2,302,752</u>	<u>\$ 56,346</u>	<u>\$ 8,705,377</u>
<b>LIABILITIES</b>				
Due to general fund	\$ -	\$ -	\$ 32	\$ 32
Due to others	6,346,279	2,302,752	56,314	8,705,345
Total liabilities	<u>\$ 6,346,279</u>	<u>\$ 2,302,752</u>	<u>\$ 56,346</u>	<u>\$ 8,705,377</u>

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

COMBINING STATEMENT OF CHANGES IN FIDUCIARY DUE TO OTHERS

For the Year Ended June 30, 2009

	Advance Deposit Fund	Registry of Court Fund	Other Fiduciary Funds	Total
<b>ADDITIONS</b>				
Deposits:				
Suits and successions	\$ 5,602,967	\$ -	\$ 49,643	\$ 5,652,610
Judgments	-	2,201,153	-	2,201,153
Interest	55,400	2,239	163	57,802
<b>Total additions</b>	<b>5,658,367</b>	<b>2,203,392</b>	<b>49,806</b>	<b>7,911,565</b>
<b>DEDUCTIONS</b>				
Distributed to litigants	1,268,905	1,894,273	-	3,163,178
Clerk's costs	3,220,475	-	12,302	3,232,777
Sheriff's fees	551,542	-	1,080	552,622
Women's shelter fees	-	-	8,329	8,329
Other deductions	593,000	-	20,758	613,758
<b>Total deductions</b>	<b>5,633,922</b>	<b>1,894,273</b>	<b>42,469</b>	<b>7,570,664</b>
<b>NET CHANGE</b>	<b>24,445</b>	<b>309,119</b>	<b>7,337</b>	<b>340,901</b>
Balances at beginning of year	6,321,834	1,993,633	48,977	8,364,444
Balances at end of year	\$ 6,346,279	\$ 2,302,752	\$ 56,314	\$ 8,705,345



# Langley, Williams & Company, L.L.C.

## CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS OF-  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
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TEXAS STATE BOARD  
OF PUBLIC ACCOUNTANCY

PUBLIC COMPANY  
ACCOUNTING OVERSIGHT BOARD

CENTER FOR PUBLIC  
COMPANY AUDIT FIRMS

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

We have audited the financial statements of governmental activities, the major fund, and the aggregate remaining fund information of the Calcasieu Parish Clerk of Court as of and for the year ended June 30, 2009, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated November 13, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Calcasieu Parish Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Calcasieu Parish Clerk of Court's internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Calcasieu Parish Clerk of Court's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of financial statement that is more than inconsequential will not be prevented or detected by internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs identified as 09-02(IC) and 09-03(IC) to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by internal control.

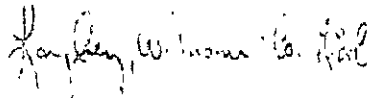
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and could not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider item 09-01(IC) to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Calcasieu Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* in the accompanying schedule of findings and questioned costs identified as 09-04 (C).

The Calcasieu Parish Clerk of Court's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Calcasieu Parish Clerk of Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Calcasieu Parish Clerk of Court, the Calcasieu Parish Clerk of Court's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Lake Charles, Louisiana  
November 13, 2009

CALCASIEU PARISH CLERK OF COURT  
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

**Section I - Summary of Audit Results**

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weaknesses identified? Yes
- Significant deficiency identified not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

Federal Awards

N/A

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan

For the Year Ended June 30, 2009

Ref. No	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Current year (06/30/09)						
Internal Control:						
09- 01 (IC)	Unknown	The Calcasieu Parish Clerk of Court did not have adequate segregation of duties within the accounting system.	No	The Calcasieu Parish Clerk of Court's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible.	Beverly Ragas	N/A
09- 02 (IC)	2008	Outstanding checks should be investigated to determine whether such monies should be forwarded to the state treasury under the state's escheat law for the Advance Deposit Fund.	Yes	The Clerk will investigate all checks over 90 days for all checking accounts.	Beverly Ragas	2/28/2010
09- 03 (IC)	2008	Lack of controls over cash	Yes	<ol style="list-style-type: none"> <li>1. We will reconcile bank statement on timely basis, compare to general ledger and have reviewed by management.</li> <li>2. We will maintain the envelopes from all cash received since this is considered evidence of a control procedure.</li> <li>3. We will have all deposit sheets signed as completed and reviewed.</li> <li>4. We will have proper documentation on all cash disbursements including credit card purchases.</li> <li>5. We will have more communications and monitoring of staff involving checking accounts and account codings.</li> </ol>	Beverly Ragas	2/28/2010
Compliance: 09 - 04 (C )	2009	For the year ended June 30, 2009, budgeted revenues exceeded actual revenues by more than 35%. State law requires that actual revenue and expenditures fall within 5% of budget.	Yes	We will monitor the budget process carefully to account for the differences between budget and actual.	Beverly Ragas	Completed

Calcasieu Parish Clerk of Court  
Lake Charles, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan - Continued

For the Year Ended June 30, 2009

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Prior year (06/30/08)						
08-01 (IC)	Unknown	Same as 09-01 (IC) above				
08-02 (IC)	2008	Same as 09-02 (IC) above				
08-03 (IC)	2008	Same as 09-03 (IC) above				
08-04 (IC)	2008	Included in finding 09-03 (IC) above				
08-05 (IC)	2008	Included in finding 09-03 (IC) above				
Compliance		There were no matters involving compliance reported				